

VA Office of Inspector General

OFFICE OF AUDITS AND EVALUATIONS



Veterans Benefits Administration

- Interim Report -

*Participation in the
Veterans Retraining
Assistance Program*

April 15, 2013
12-04524-171

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EXECUTIVE SUMMARY

During our ongoing national audit of the Veterans Retraining Assistance Program (VRAP), we determined that if Veterans Benefits Administration (VBA) officials continued using its current method of counting authorized participants, veterans' use of VRAP would not achieve the levels authorized by Congress.

On November 21, 2011, Congress passed the Veterans Opportunity to Work (VOW) to Hire Heroes Act, which authorized VRAP benefits for 45,000 participants during FY 2012 and 54,000 participants from October 1, 2012, through March 31, 2014. To ensure VBA did not exceed the authorized limit of 99,000 participants, Education Service Program officials decided to count approved applicants as participants. However, not all approved applicants were actually participating in the program. As of February 15, 2013, about 33,000 (33 percent) of the 99,000 authorized participants were enrolled in an approved training program and receiving program benefits. To ensure VBA maximizes veterans' use of this time-sensitive program, we recommended VBA continue to accept applications until they have 99,000 veterans enrolled in an approved training program or until October 1, 2013, the last date a veteran may apply for program benefits. We also made three other recommendations related to ensuring veterans' ability to take full advantage of VRAP.

We are conducting our national audit of VRAP in accordance with generally accepted government auditing standards (GAGAS). For this interim report, we did not follow all of the reporting standards because of the seriousness of this issue. Reporting, as an interim advisory, helps VBA address the urgency needed to take proactive corrective actions. We believe that the tests we did perform provide sufficient evidence for our conclusion. Given the urgency associated with reporting this information, we did not follow all GAGAS requirements. The final report on our national audit of the VRAP, which will also include this interim report, will address all of the GAGAS requirements related to reporting.

The Under Secretary for Benefits concurred with our recommendations, stating VBA was committed to maximizing the use of VRAP benefits and getting our nation's unemployed veterans back to work in high-demand occupations. VBA management was responsive to our recommendations and made suitable action plans. We will follow up as required and continue with our ongoing national audit.

A handwritten signature in black ink that reads "Linda A. Halliday". The signature is written in a cursive style.

LINDA A. HALLIDAY
Assistant Inspector General
for Audits and Evaluations

OIG's Management Advisory Memorandum

Department of Veterans Affairs

Memorandum

Date: February 25, 2013
From: Assistant Inspector General for Audits and Evaluations (52)
Subj: Revised Management Advisory—Audit of Veterans Retraining Assistance Program Participation
To: Under Secretary for Benefits (20)

1. Our ongoing audit of the Veterans Retraining Assistance Program (VRAP), which is being conducted in accordance with generally accepted government auditing standards, determined that if Veterans Benefits Administration (VBA) officials continue the program on its current path, veterans' use of VRAP will not achieve the levels authorized by Congress. We are providing this Management Advisory for your immediate attention and action to ensure VBA maximizes veterans' use of this time-sensitive program. This replaces the management advisory memo issued to you on January 24, 2013.
2. On November 21, 2011, Congress passed the Veterans Opportunity to Work (VOW) to Hire Heroes Act, which authorized VRAP benefits to 99,000 eligible veterans. Congress allowed for up to 45,000 participants during FY 2012 and 54,000 participants from October 1, 2012, through March 31, 2014. To obtain VRAP benefits, a veteran must apply to the Department of Labor. If Department of Labor staff certify the veteran's initial eligibility, they forward the veteran's information to VBA. If VBA staff determine the veteran meets VA eligibility requirements, they issue the veteran a certificate of eligibility and notify the veteran they are entitled to benefits that must be used before April 1, 2014. Once eligible, it is the veteran's responsibility to enroll in the approved training program and, if necessary, pay the initial cost of the program. Once enrolled, VA pays a standard monthly stipend; the stipend does not change based on the cost of the training program or the veteran's circumstances, such as number of dependents. The FY 2012 VRAP monthly stipend rate was \$1,473 a month. The monthly stipend increased to \$1,564 a month for FY 2013.

3. To ensure VBA did not exceed the 99,000 authorized participants, Education Service officials decided to count approved applicants as participants. Education Service officials told us that since the program limited the number of participants, they did this to ensure all veterans issued a certificate of eligibility could be paid benefits. However, this decision resulted in an unintended cap on applicants and negatively affected usage rates for the program. As of February 15, 2013, only 32,934 (33 percent) of the 99,000 authorized participants had enrolled in an approved training program and received program benefits.
4. In August 2012, VBA estimated they reached the FY 2012 cap of 45,000 participants. Therefore, they deferred benefits for any new participants until October 1, 2012. However, of the 45,000 approved FY 2012 participants, only 12,251 had enrolled in a training program and received benefits prior to October 1, 2012. The remaining 32,749 approved veterans did not enroll and therefore did not receive a monthly stipend during FY 2012. VBA's decision to count approved applicants as participants potentially affected approximately 1,400 eligible veterans who enrolled in an approved training program during FY 2012, but VBA deferred their VRAP benefits until October 1, 2012. VA policies allow retroactive payments up to 1 year prior to VA receiving the claim; therefore, participants who applied in FY 2013, and were enrolled during FY 2012, may be paid retroactive benefits.
5. At our entrance conference on November 7, 2012, VBA recognized the low usage rate and in late November, initiated contact with 44,000 veterans with VRAP certificates of eligibility that had not enrolled in a training program. VBA encouraged the veterans to enroll and reminded them they must use the benefits before April 1, 2014. However, additional actions are needed to increase VRAP participation. Specifically, we recommend the Under Secretary for Benefits:
 - a. Continue to issue certificates of eligibility until either 99,000 veterans have enrolled in an approved training program or until October 1, 2013, whichever occurs first.
 - b. Revise the Veterans Retraining Assistance Program certificate of eligibility letter to inform veterans that Veterans Benefits Administration will only pay benefits to a limited number of

veterans. The certificate of eligibility should state that veterans would need to check the Veterans Retraining Assistance Program Web site or contact Veterans Benefits Administration to confirm benefits are still available before enrolling in an approved training program.

- c. Contact the veterans currently holding a certificate of eligibility, who have not yet enrolled in the approved training, and inform them that VBA will pay benefits only to a limited number of veterans. Inform the veterans they will need to check the VRAP Web site or contact VBA to confirm benefits are still available before enrolling in an approved training program.
 - d. Provide retroactive benefits to VRAP participants (not to exceed the FY 2012 authorization) who were enrolled in an approved training program in FY 2012, but did not receive benefits before October 1, 2012.
6. Please provide your written comments to this Management Advisory by March 8, 2013. Your comments should provide an implementation plan and target completion dates for addressing the recommendations. If you have questions or wish to discuss the issues in this Management Advisory, please contact Larry Reinkemeyer at (816) 997-6940.


LINDA A. HALLIDAY

VA Under Secretary for Benefits Comments

Department of Veterans Affairs

Memorandum

Date: March 8, 2013
From: Under Secretary for Benefits (20)
Subj: OIG Revised Management Advisory—Audit of Veterans Retraining Assistance Program Participation—VAIQ 7321203
To: Assistant Inspector General for Audits and Evaluations (52)

1. Attached is VBA's response to the OIG Revised Management Advisory—Audit of Veterans Retraining Assistance Program Participation.
2. Questions may be referred to Catherine Milano, Program Analyst, at 461-9216.



Allison A. Hickey

Attachment

Attachment

**Veterans Benefits Administration (VBA)
Comments on OIG Revised Management Advisory
Audit of Veterans Retraining Assistance Program Participation**

The Veterans Benefits Administration provides the following general comments:

VBA is committed to maximizing the utilization of Veterans Retraining Assistance Program (VRAP) benefits and getting our Nation's unemployed Veterans back to work in high-demand occupations. We have dedicated significant resources to our VRAP outreach campaign and sent multiple mass e-mails targeted at those Veterans eligible for VRAP, but who are not yet in training, to remind them of the time-sensitive nature of the program. In addition, beginning in November 2012, we provided Veterans with the opportunity to relinquish their spots in the VRAP program if they aren't going to use the benefits for such reasons as having found other sources of aid for retraining or becoming employed. VBA appreciates the feedback and suggestions of OIG and is planning to implement the recommendations to augment our efforts to increase VRAP participation.

The following comments are submitted in response to the recommendations in the OIG Revised Management Advisory Memo:

Recommendation 1: Continue to issue certificates of eligibility until either 99,000 veterans have enrolled in an approved training program or until October 1, 2013, whichever occurs first.

VBA Response: Concur. VBA agrees that issuing additional certificates of eligibility will help increase the number of VRAP beneficiaries. VBA will notify the Regional Processing Offices (RPOs) that we will continue accepting applications and providing eligibility determinations until we reach the 99,000 Veterans limit or October 1, 2013, whichever happens first. We will also update this information on our websites and in our outreach materials. Targeted Completion Date: March 31, 2013.

Recommendation 2: Revise the Veterans Retraining Assistance Program certificate of eligibility letter to inform veterans that Veterans Benefits Administration will only pay benefits to a limited number of veterans. The certificate of eligibility should state that Veterans would need to check the Veterans Retraining Assistance Program website or contact Veterans Benefits Administration to confirm benefits are still available before enrolling in an approved training program.

VBA Response: Concur. VBA is modifying the VRAP certificate of eligibility (COE) to inform the Veteran that the program is statutorily limited to 99,000 Veterans. The COE will also instruct Veterans to check our website or speak to one of our customer service representatives prior to enrolling in school to confirm that VRAP benefits are still available. We are also modifying our websites daily to display the number of Veterans currently enrolled in VRAP and finalizing instructions to notify the RPOs about this change. Targeted Completion Date: March 31, 2013

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Recommendation 3: Contact the veterans currently holding a certificate of eligibility, who have not yet enrolled in the approved training, and inform them that the Veterans Benefit Administration will only pay benefits to a limited number of Veterans. Inform the Veterans they will need to check the Veterans Retraining Assistance Program website or contact Veterans Benefits Administration to confirm benefits are still available before enrolling in an approved program.

VBA Response: Concur. VBA is currently generating a list of Veterans issued a VRAP certificate of eligibility who have not yet enrolled in training. We are finalizing the notification that will be sent to them stressing that VRAP participation is limited to 99,000 Veterans. VBA will also post information regarding the letter on our websites and provide a sample of the letter to the RPOs. Targeted Completion Date: March 31, 2013.

Recommendation 4: Provide retroactive benefits to Veterans Retraining Assistance Program participants (not to exceed the FY 2012 authorization) who were enrolled in an approved training program in FY 2012, but did not receive benefits before October 1, 2012.

VBA Response: Concur. VBA is generating a report of Veterans who were enrolled in an approved training program in FY 2012 but were awarded benefits beginning October 1, 2012. After we validate this data, we will provide the RPOs with a list of Veterans within their jurisdiction and instructions to review their records and retroactively pay benefits back to the start date of enrollment as applicable. VBA will also notify the Veterans of this change. Targeted Completion Date: May 31, 2013.

Appendix A Office of Inspector General Contact and Staff Acknowledgments

OIG Contact	For more information about this report, please contact the Office of Inspector General at (202) 461-4720.
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Acknowledgments	Larry Reinkemeyer, Director Robin Frazier Timothy Halpin Ken Myers
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Appendix B Report Distribution

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